



Town of Avon
Tax Rate Classification
Fiscal Year 2023

Report to the
Avon Board of Selectmen
By the
Avon Board of Assessors
November 22, 2022

Introduction

- The Board of Selectmen determines the allocation of the local tax burden to be borne by the four classes of real property for Fiscal Year 2023.
- Selectmen must adopt a residential factor which is used to determine the percentage of the tax levy to apply to each class of real and personal property.
- The Board of Assessors applies these percentages to the individual property classes (M.G.L. Chapter 40, section 56).
- The Selectmen must also vote to adopt or reject an exemption for:
 - Residential properties (Residential Exemption)
 - Commercial properties (Small Commercial Exemption)
 - Open Space properties (Open Space Discount).
- The Assessors are to provide the Selectmen with all relevant information, and to discuss the fiscal effect of possible alternatives.

Total Assessed Value for Fiscal Year 2023

- The total Taxable Value for FY2023 is \$1,139,214,254. The total valuation from FY2022 to FY2023 increased by 11.73%. The breakdown by class is:

Residential	+14.08%
Commercial	+3.07%
Industrial	+14.76%
Personal Property	-4.38%

Total Assessed Value for Fiscal Year 2023

- Residential continue to rise. The increase stems from new construction, renovations, minor data changes, and market demand for housing.
- Commercial values have appreciated slightly, but have largely been stable for 2 years.
- Industrial values continued to increase, affected by sales, new construction/renovations.
- Personal Property Values decreased slightly. This is due to business closures and limited growth in utility values and wireless telephone inventory values.

Total Assessed Value for Fiscal Year 2023

- The increase in value, mainly from the State mandated interim revaluation of all properties, and new growth in each of the various classes, helps the FY2023 tax rate for all classes of property. Additional value, especially in the residential, commercial and industrial classes, provides a natural shift that helps ease the tax burden.

Taxable Levy FY2023

Amount to be Raised by Town Meeting Votes:	\$30,409,526
Cherry Sheet Offsets:	\$ 907,917
State and County Cherry Sheet Charges:	\$ 694,095
Overlay:	\$ 4,518
Total Amount to be Raised:	\$32,016,056
Receipts:	
Cherry Sheet Receipts:	\$5,104,348
Local Receipts:	\$2,880,000
Other Available Funds:	\$2,375,245
Total Estimated Receipts:	\$10,359,593
FY2023 Real and Personal Property Tax Levy:	\$21,656,463

Tax Rate

****For illustration purposes only****, the Uniform Tax Rate for the Town of Avon for FY2022 would be:

$$\$21,656,463 / \$1,139,214,254 = 0.01901$$

OR

\$19.01 per thousand dollars of assessed valuation

****Need to complete RECAP****

Residential Factor

- State law permits the town to adopt a residential factor less than 1, which would have the effect of increasing the commercial, industrial, and personal property tax rates and decreasing the residential tax rate.
- The DOR also determines the minimum residential factor as outlined in M.G.L. Chapter 200. This year's calculation has determined the Town of Avon's minimum residential factor to be 66.2558%.
- The Board of Selectmen is responsible to choose the Residential Factor the town will use each fiscal year.

Allowable Tax Shift for FY22

- The Town of Avon has traditionally chosen a factor less than one. The following shows what the factor has been for the last 10 years

FY 2022	73.02%
FY2021	71.70%
FY 2020	72.70%
FY 2019	71.80%
FY 2018	72.00%
FY 2017	69.30%
FY 2016	68.60%
FY 2015	68.00%
FY 2014	67.50%
FY 2013	66.50%

Open Space Discount

- The Town of Avon at this time has no land that has been classified as open space.

Residential Exemption

- This mechanism provides for the redistribution of the tax levy among residential property owners, solely within the Residential Class (Class 1).
- Subtracting a standard dollar amount (a percentage of the average Class 1 value) from every qualifying owner-occupied residential property;
- Recalculating the class 1 tax levy based on the new total of the Class 1 taxable value. The Class 1 tax levy must remain unchanged before and after this calculation.
- The selected percentage to calculate the standard qualifying assessed value reduction can be from 0 to 20%.
- *Only sixteen cities and towns in the Commonwealth use the Residential Exemption, generally large urban areas with a high number of income producing multi-family homes or resort communities with a high number of second (seasonal) homes.*
- The Town of Avon has very few multi-family income producing properties and virtually no second (seasonal) homes. The Board of Assessors would recommend that the Residential Exemption **not** be adopted for FY2023.

Small Commercial Exemption

- A small commercial exemption of up to 10% may be granted to qualifying commercial (Class 3) properties if:
 - The property is valued less than \$1,000,000
 - All the businesses occupying the property have 10 or fewer employees on average, in the last calendar year, as certified by the Commissioner of Employment & Training;
 - The building is fully occupied (no vacancies).
 - Any savings from this exemption are available only to commercial properties and the cost would be borne within the commercial (Class 3) and Industrial (Class 4)
 - There are only fourteen communities granting the commercial exemption.

Small Commercial Exemption

- Currently of the qualifying commercial properties in Avon
- 18 have filed an application for the exemption for FY2023.
- Using the maximum of 10% the potential total exemption amount for those properties would be \$513,028 in value.
- After the reduction in value to those properties the commercial and industrial tax rate would increase roughly one cent over the personal property rate which is not affected.
- The Town of Avon has been granting this exemption for many years. The Chair of the Board of Assessors and the representative from RRG recommend that the Town continues to grant this exemption.

Final Statement of the Board of Assessors

- The Board of Assessors is responsible to provide the Board of Selectmen the information they need to make an informed choice.
- The Board of Assessors recommends a factor of 1.41 or 1.42.
- By choosing one of these factors, the tax rate for each class decreases by \$2.06 for Residential and \$3.08 for Commercial and Industrial (1.41) OR by \$2.19 for Residential and \$2.94 for Commercial and Industrial .
- THANK YOU!... ANY QUESTIONS?

CLASS	VALUE	%		RESIDENTIAL/SENIOR MEANS TESTED EXEMPTION		SMALL COMMERCIAL EXEMPTION	
Residential	680,175,091	59.7056	R & O %	Res # of Eligible Parcels	0.000000	# of Eligible Parcels	18
Open Space	0	0.0000	59.7056	Res Parcel Count	0	Total Value of Eligible Parcels	513,028
Commercial	144,520,609	12.6860		Res Exemption %	0.0000	Comm Exemption %	10.0000
Industrial	262,374,000	23.0311	C I P %	Res Value Exemptwed	0	Total C & I Value Net of Exemption	406,381,581
Personal Property	52,144,554	4.5773	40.2944	Senior # Eligble Parcels	0		
Total	1,139,214,254	100.0000		Senior Value Exempted	0		
				Total Res Value Net of Exemption	680175091		
ENTER A LEVY (ESTIMATED IF NECESSARY)				ENTER CIP SHIFT RANGE			
Levy	21,656,463			Shift Range	1.00	1.50	
Single TaxRate	19.01			Shift Increment %		1.00	
				Max Shift Allowed		1.50	

Note: This table should be used for planning purposes only. Actual calculations may differ slightly due to rounding. For actual calculations, complete Recap.

CIP Shift	Share Percentages							Levy Amounts					Esimated Tax Rates			
	Res Factor	Res SP	OS SP	Comm SP	Ind SP	PP SP	Total SP	Res LA	Comm LA	Ind LA	PP LA	Total LA	Res ET	Comm ET	Ind ET	PP ET
	1.0000	1.0000	59.7056	0.0000	12.6860	23.0311	4.5773	100.0000	12,930,121	2,747,339	4,987,722	991,281	21,656,463	19.01	19.01	19.01
1.0100	0.9933	59.3027	0.0000	12.8129	23.2614	4.6231	100.0000	12,842,858	2,774,812	5,037,599	1,001,194	21,656,463	18.88	19.20	19.20	19.20
1.0200	0.9865	58.8997	0.0000	12.9397	23.4917	4.6688	100.0000	12,755,595	2,802,286	5,087,476	1,011,107	21,656,463	18.75	19.39	19.39	19.39
1.0300	0.9798	58.4968	0.0000	13.0666	23.7220	4.7146	100.0000	12,668,331	2,829,759	5,137,353	1,021,020	21,656,463	18.63	19.58	19.58	19.58
1.0400	0.9730	58.0938	0.0000	13.1934	23.9523	4.7604	100.0000	12,581,068	2,857,232	5,187,231	1,030,933	21,656,463	18.50	19.77	19.77	19.77
1.0500	0.9663	57.6909	0.0000	13.3203	24.1827	4.8062	100.0000	12,493,805	2,884,706	5,237,108	1,040,845	21,656,464	18.37	19.96	19.96	19.96
1.0600	0.9595	57.2879	0.0000	13.4472	24.4130	4.8519	100.0000	12,406,541	2,912,179	5,286,985	1,050,758	21,656,464	18.24	20.15	20.15	20.15
1.0700	0.9528	56.8850	0.0000	13.5740	24.6433	4.8977	100.0000	12,319,278	2,939,653	5,336,862	1,060,671	21,656,464	18.11	20.34	20.34	20.34
1.0800	0.9460	56.4821	0.0000	13.7009	24.8736	4.9435	100.0000	12,232,015	2,967,126	5,386,739	1,070,584	21,656,464	17.98	20.53	20.53	20.53
1.0900	0.9393	56.0791	0.0000	13.8277	25.1039	4.9893	100.0000	12,144,752	2,994,599	5,436,617	1,080,497	21,656,464	17.86	20.72	20.72	20.72
1.1000	0.9325	55.6762	0.0000	13.9546	25.3342	5.0350	100.0000	12,057,488	3,022,073	5,486,494	1,090,409	21,656,464	17.73	20.91	20.91	20.91
1.1100	0.9258	55.2732	0.0000	14.0815	25.5645	5.0808	100.0000	11,970,225	3,049,546	5,536,371	1,100,322	21,656,464	17.60	21.10	21.10	21.10
1.1200	0.9190	54.8703	0.0000	14.2083	25.7948	5.1266	100.0000	11,882,962	3,077,020	5,586,248	1,110,235	21,656,464	17.47	21.29	21.29	21.29
1.1300	0.9123	54.4673	0.0000	14.3352	26.0251	5.1723	100.0000	11,795,698	3,104,493	5,636,125	1,120,148	21,656,465	17.34	21.48	21.48	21.48
1.1400	0.9055	54.0644	0.0000	14.4620	26.2555	5.2181	100.0000	11,708,435	3,131,966	5,686,003	1,130,061	21,656,465	17.21	21.67	21.67	21.67
1.1500	0.8988	53.6614	0.0000	14.5889	26.4858	5.2639	100.0000	11,621,172	3,159,440	5,735,880	1,139,973	21,656,465	17.09	21.86	21.86	21.86
1.1600	0.8920	53.2585	0.0000	14.7158	26.7161	5.3097	100.0000	11,533,908	3,186,913	5,785,757	1,149,886	21,656,465	16.96	22.05	22.05	22.05
1.1700	0.8853	52.8556	0.0000	14.8426	26.9464	5.3554	100.0000	11,446,645	3,214,387	5,835,634	1,159,799	21,656,465	16.83	22.24	22.24	22.24
1.1800	0.8785	52.4526	0.0000	14.9695	27.1767	5.4012	100.0000	11,359,382	3,241,860	5,885,512	1,169,712	21,656,465	16.70	22.43	22.43	22.43
1.1900	0.8718	52.0497	0.0000	15.0963	27.4070	5.4470	100.0000	11,272,119	3,269,333	5,935,389	1,179,625	21,656,465	16.57	22.62	22.62	22.62
1.2000	0.8650	51.6467	0.0000	15.2232	27.6373	5.4928	100.0000	11,184,855	3,296,807	5,985,266	1,189,538	21,656,465	16.44	22.81	22.81	22.81
1.2100	0.8583	51.2438	0.0000	15.3501	27.8676	5.5385	100.0000	11,097,592	3,324,280	6,035,143	1,199,450	21,656,466	16.32	23.00	23.00	23.00
1.2200	0.8515	50.8408	0.0000	15.4769	28.0979	5.5843	100.0000	11,010,329	3,351,753	6,085,020	1,209,363	21,656,466	16.19	23.19	23.19	23.19
1.2300	0.8448	50.4379	0.0000	15.6038	28.3283	5.6301	100.0000	10,923,065	3,379,227	6,134,898	1,219,276	21,656,466	16.06	23.38	23.38	23.38
1.2400	0.8380	50.0350	0.0000	15.7306	28.5586	5.6759	100.0000	10,835,802	3,406,700	6,184,775	1,229,189	21,656,466	15.93	23.57	23.57	23.57
1.2500	0.8313	49.6320	0.0000	15.8575	28.7889	5.7216	100.0000	10,748,539	3,434,174	6,234,652	1,239,102	21,656,466	15.80	23.76	23.76	23.76
1.2600	0.8245	49.2291	0.0000	15.9844	29.0192	5.7674	100.0000	10,661,275	3,461,647	6,284,529	1,249,014	21,656,466	15.67	23.95	23.95	23.95
1.2700	0.8178	48.8261	0.0000	16.1112	29.2495	5.8132	100.0000	10,574,012	3,489,120	6,334,406	1,258,927	21,656,466	15.55	24.14	24.14	24.14
1.2800	0.8110	48.4232	0.0000	16.2381	29.4798	5.8589	100.0000	10,486,749	3,516,594	6,384,284	1,268,840	21,656,466	15.42	24.33	24.33	24.33
1.2900	0.8043	48.0202	0.0000	16.3649	29.7101	5.9047	100.0000	10,399,486	3,544,067	6,434,161	1,278,753	21,656,467	15.29	24.52	24.52	24.52
1.3000	0.7975	47.6173	0.0000	16.4918	29.9404	5.9505	100.0000	10,312,222	3,571,541	6,484,038	1,288,666	21,656,467	15.16	24.71	24.71	24.71
1.3100	0.7908	47.2144	0.0000	16.6187	30.1707	5.9963	100.0000	10,224,959	3,599,014	6,533,915	1,298,578	21,656,467	15.03	24.90	24.90	24.90
1.3200	0.7840	46.8114	0.0000	16.7455	30.4011	6.0420	100.0000	10,137,696	3,626,487	6,583,793	1,308,491	21,656,467	14.90	25.09	25.09	25.09
1.3300	0.7773	46.4085	0.0000	16.8724	30.6314	6.0878	100.0000	10,050,432	3,653,961	6,633,670	1,318,404	21,656,467	14.78	25.28	25.28	25.28
1.3400	0.7705	46.0055	0.0000	16.9992	30.8617	6.1336	100.0000	9,963,169	3,681,434	6,683,547	1,328,317	21,656,467	14.65	25.47	25.47	25.47
1.3500	0.7638	45.6026	0.0000	17.1261	31.0920	6.1794	100.0000	9,875,906	3,708,908	6,733,424	1,338,230	21,656,467	14.52	25.66	25.66	25.66
1.3600	0.7570	45.1996	0.0000	17.2530	31.3223	6.2251	100.0000	9,788,643	3,736,381	6,783,301	1,348,143	21,656,467	14.39	25.85	25.85	25.85
1.3700	0.7503	44.7967	0.0000	17.3798	31.5526	6.2709	100.0000	9,701,379	3,763,854	6,833,179	1,358,055	21,656,468	14.26	26.04	26.04	26.04
1.3800	0.7435	44.3937	0.0000	17.5067	31.7829	6.3167	100.0000	9,614,116	3,791,328	6,883,056	1,367,968	21,656,468	14.13	26.23	26.23	26.23
1.3900	0.7368	43.9908	0.0000	17.6335	32.0132	6.3624	100.0000	9,526,853	3,818,801	6,932,933	1,377,881	21,656,468	14.01	26.42	26.42	26.42
1.4000	0.7300	43.5879	0.0000	17.7604	32.2435	6.4082	100.0000	9,439,589	3,846,274	6,982,810	1,387,794	21,656,468	13.88	26.61	26.61	26.61
1.4100	0.7233	43.1849	0.0000	17.8873	32.4739	6.4540	100.0000	9,352,326	3,873,748	7,032,688	1,397,707	21,656,468	13.75	26.80	26.80	26.80
1.4200	0.7165	42.7820	0.0000	18.0141	32.7042	6.4998	100.0000	9,265,063	3,901,221	7,082,565	1,407,619	21,656,468	13.62	26.99	26.99	26.99
1.4300	0.7098	42.3790	0.0000	18.1410	32.9345	6.5455	100.0000	9,177,799	3,928,695	7,132,442	1,417,532	21,656,468	13.49	27.18	27.18	27.18
1.4400	0.7031	41.9761	0.0000	18.2678	33.1648	6.5913	100.0000	9,090,536	3,956,168	7,182,319	1,427,445	21,656,468	13.36	27.37	27.37	27.37
1.4500	0.6963	41.5731	0.0000	18.3947	33.3951	6.6371	100.0000	9,003,273	3,983,641	7,232,196	1,437,358	21,656,469	13.24	27.56	27.56	27.56
1.4600	0.6896	41.1702	0.0000	18.5216	33.6254	6.6829	100.0000	8,916,010	4,011,115	7,282,074	1,447,271	21,656,469	13.11	27.75	27.75	27.75
1.4700	0.6828	40.7673	0.0000	18.6484	33.8557	6.7286	100.0000	8,828,746	4,038,588	7,331,951	1,457,183	21,656,469	12.98	27.94	27.94	27.95
1.4800	0.6761	40.3643	0.0000	18.7753	34.0860	6.7744	100.0000	8,741,483	4,066,062	7,381,828	1,467,096	21,656,469	12.85	28.13	28.13	28.14
1.4900	0.6693	39.9614	0.0000	18.9021	34.3163	6.8202	100.0000	8,654,220	4,093,535	7,431,705	1,477,009	21,656,469	12.72	28.32	28.32	28.33
1.5000	0.6626	39.5584	0.0000	19.0290	34.5467	6.8660	100.0000	8,566,956	4,121,008	7,481,582	1,486,922	21,656,469	12.60	28.52	28.51	28.52

Property Type	ASSESSED VALUE FY '22	TAX RATE	TAXES FY '22	ASSESSED VALUE FY '23	TAX RATE (1.40)	ESTIMATED TAXES FY '23	DIFF	TAX RATE (1.41)	ESTIMATED TAXES FY '23	DIFF	TAX RATE (1.42)	ESTIMATED TAXES FY '23	DIFF	TAX RATE (1.43)	ESTIMATED TAXES FY '23 FACTOR 1.43 (\$27.18/1,000)	DIFF
Average Commercial	\$ 1,478,500.00	\$29.93	\$ 44,251.51	\$ 1,523,200.00	\$26.61	\$40,532.35	\$(3,719.15)	\$26.80	\$40,821.76	\$(3,429.75)	\$26.99	\$41,111.17	\$(3,140.34)	\$27.18	\$ 41,400.58	\$(2,850.93)
Average Industrial	\$ 1,843,800.00	\$29.93	\$ 55,184.93	\$ 2,115,900.00	\$26.61	\$56,304.10	\$ 1,119.17	\$26.80	\$56,706.12	\$ 1,521.19	\$26.99	\$57,108.14	\$ 1,923.21	\$27.18	\$ 57,510.16	\$ 2,325.23
Average Single Family	\$ 391,700.00	\$15.81	\$ 6,192.78	\$ 445,200.00	\$13.88	\$ 6,179.38	\$ (13.40)	\$13.75	\$ 6,121.50	\$ (71.28)	\$13.62	\$ 6,063.62	\$ (129.15)	\$13.49	\$ 6,005.75	\$ (187.03)